

**INITIAL ENVIRONMENTAL EXAMINATION
OR
CATEGORICAL EXCLUSION**

PROGRAM/ACTIVITY DATA:

Program/Activity Number: 623-010

Country/Region: East Africa Regional Mission (USAID/EA)

Program/Activity Title: SO 10: Increased Regional Economic Growth and Integration

Funding Begin: FY 2006 **Funding End:** FY 2010 **LOP Amount:** \$60,000,000

Sub-Activity Amount: N/A

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Current Date: July 31, 2006 rev.

IEE Amendment (Y/N): N If "yes", Filename & date of original IEE:

ENVIRONMENTAL ACTION RECOMMENDED: (Place X where applicable)

Categorical Exclusion: X Negative Determination: X

Positive Determination: Deferral X

ADDITIONAL ELEMENTS: (Place X where applicable)

CONDITIONS X PVO/NGO: X

Other Relevant Environmental Compliance Documentation: This IEE references the following USAID environmental compliance documentation that is already in effect for ongoing activities under USAID/EA SO 10:

- *REDSO/ ESA, SO5 Enhanced Capacity to Achieve Regional Food Security.*
34REDSO2_SO5_FoodSecurity.doc All the conditions under this IEE for the ongoing activities continue to apply.
- This IEE cross references the Africa Bureau, AGCI IEE for Increased Program Impact of Economic Growth, Environment and Agriculture Activities in Africa with all its conditions invoking the environmental screening and review process.

SUMMARY OF FINDINGS:

USAID /East Africa's Strategic Objective 10, which supercedes the previous SO 5, will continue to implement many of the program activities started under SO5 with the same partners. The new SO has three IRs: IR 1; Improve effectiveness of African trade institutions through institutional integration; IR2; enhance the productivity of agriculture and management of natural resources through improved technologies and practices and harmonized policies; and IR 3; advance the integration of vulnerable groups, including people living with HIV/AIDS, into sustainable development through improved information, support to build assets and diversify income sources, better natural resources management and access to national and regional markets. The IR 1 incorporates all the aspects of the African Growth Competitive Initiative (AGCI) components which in FY 2008 will supercede the current Regional Agriculture Trade Expansion System and TRADE Initiative(Trade for African Development and Enterprise). In addition the SO has three new activities: Crop Crisis Control Program (C3P); Regional Enhanced Pastoral Areas Program (RELPA) and Transboundary Water for Biodiversity in the Mara River Basin (TWB-MRB). Activities in Pest Risk Assessment and Sanitary and Phytosanitary (SPS) are being augmented with the AGCI PASA to this effect. There is a potential for engagement in Avian Influenza

response should highly pathogenic avian influenza (HPAI) outbreaks occur in the East Africa region, in coordination with USAID's Regional Health Office.

This Initial Environmental Examination (IEE) contains the threshold decisions on the environmental impact of this SO.

Environmental Determinations

The following environmental determinations are recommended which invokes the use of environmental review, use of Africa Bureau Environmental Guidelines for Small Scale activities and promotes proactive monitoring of environmental conditions throughout the life of the program:

- 1. A Categorical Exclusion from environmental examination** is recommended for activities under IRs 11, 1.2, 2.1, 2.2, 2.3 and 2.5 except to the extent that the activities directly affect the environment (such as construction of facilities), pursuant to:
 - a) 22 CFR 216.2(c)(2)(i), for activities involving education, training, technical assistance or training programs;
 - b) 22 CFR 216.2(c)(2)(ii), for activities involving controlled experimentation exclusively for the purpose of research and field evaluation which are confined to small areas (defined as an area which is smaller than 4 hectares) and carefully monitored;
 - c) 22 CFR 216.2(c)(2)(iii), for activities involving analyses, studies, academic or research workshops and meetings;
 - d) 22 CFR 216.2(c)(2)(v), for activities involving document and information transfers; and
 - e) 22 CFR 216.2(c)(2)(viii), for programs involving nutrition, health care, or family planning services except to the extent designed to include activities directly affecting the environment (such as construction of facilities, water supply systems, waste water treatment, etc.), and
 - f) 22 CFR 216.2(c)(2)(xiv), for studies, projects or programs intended to develop the capability of recipient countries and organizations to engage in development planning.

While the above activities are categorically excluded, it is nonetheless important to note the opportunity for environmental benefits which is presented by AGCI, as well as the potential for consideration of the environment to help achieve AGCI goals. This initiative presents the opportunity to stimulate trade with Africa which supports clean production, resource-efficient development. At the same time, the trade promotion objectives of AGCI will be better met by helping partners to meet the social and environmental trade standards that have the potential to present non-tariff barriers to trade. Therefore, while not a mandatory condition of this IEE, AGCI is encouraged to work to ensure that complementary training and technical assistance support is provided for the AGCI program components that incorporate the principles of sustainable trade development.

- 2. A Negative Determination with Conditions** per 22 CFR 216.3 (a)(2)(iii) is recommended for these activities:

- i) **Small scale construction, water points, better management of irrigation resources, better management of rangelands and forests under direct grants for small-scale road, water, schools, health infrastructure construction**

Construction activities in general, share a set of common features and potential adverse environmental impacts, including ; damage to ecosystems, sedimentation of streams and surface water, contamination of water supplies, social impacts , spread of diseases, creation of stagnant (standing) water, damage to aesthetics of area (see EGSSAA Chapter 3: Small-Scale Construction for details)

The conditions attached for the above activities, mainly under the Regional Enhanced Livelihood for Pastoral Areas Program (RELPA):

- All construction activities shall be conducted following principles for environmentally sound construction, as provided in *Chapter 3: Small Scale Construction* of the USAID Environmental Guidelines for Small-scale Activities in Africa, which can be found at www.encapafrica.org.
- For the rehabilitation of existing facilities, and for construction of facilities in which the total surface area disturbed is less than 10,000 square feet, the condition is that these activities shall be conducted following principles for environmentally sound construction, as provided in the Small Scale Construction chapter of the USAID Environmental Guidelines for Small-scale Activities in Africa, which can be found at: www.encapafrica.org.
- No new road construction is planned. Existing tertiary and secondary roads will be repaired using established best practices as reflected in Chapter 14 on Rural Roads in USAID/AFR *Environmental Guidelines for Small Scale Activities in Africa* (EGSSAA) located at: (<http://www.encapafrica.org/SmallScaleGuidelines.htm>). Also useful guidance for road construction, maintenance and rehabilitation are guidelines given in *Low-Volume Roads Engineering: Best Management Practices Field Guide*, by Gordon Keller and James Sherar, by the US Forest Service for USAID and in collaboration with USDA. (July 2003) (see same ENCAP website, or <http://www.fs.fed.us/global>, or <http://www.zietlow.com/>). Further, a *certified roads engineer* will be employed to oversee activities and report to the MEO/USAID as necessary.
- Both water supply and sanitation activities should be conducted in a manner consistent with the good design and implementation practices described in *EGSSAA Chapter 16: Water Supply and Sanitation*. The SO Team and implementing partners should closely examine this chapter, as it provides a thorough discussion of program design and implementation issues that can help avoid numerous preventable problems. Another useful reference to consult for good water and sanitation design and implementation principles is the document, "Guidelines for the Development of Small Scale Rural Water Supply and Sanitation Projects in Ethiopia," by Catholic Relief Services and USAID, July 31, 2003.
- All AGCI activities potentially involving construction, though not anticipated in the near future shall adhere to the above construction guidelines (bullet 1) and follow the conditions and provisions in the hyper linked *AGCI IEE for Increased Program Impact of Economic Growth, Environment and Agriculture Activities in Africa*, invoking the environmental screening and review process described here under section 2 (iv) of this face sheet and section 4.1.4 in the body of this IEE.

ii) Water and Sanitation and solid waste disposal under RELPA program (incl. OFDA resources)

Water and Sanitation conditions:

Both water supply and sanitation activities should be conducted in a manner consistent with the good design and implementation practices described in *EGSSAA Chapter 16: Water Supply and Sanitation*. The SO Team and implementing partners should closely examine this chapter, as it provides a thorough discussion of program design and implementation issues that can help avoid numerous preventable problems. Another useful reference to consult for good water and sanitation design and implementation principles is the document, "Guidelines for the Development of Small Scale Rural Water Supply and Sanitation Projects in Ethiopia," by Catholic Relief Services and USAID, July 31, 2003.

Water quality testing is essential for determining that the water from a constructed water source is safe to drink and to determine a baseline so that any future degradation can be detected. Among the water quality tests which must be performed are tests for the presence of arsenic. Any USAID-supported activity engaged in the provision of potable water must adhere to Guidance Cable State 98 108651, which

requires arsenic testing. That 1998 cable also anticipates “practical guidelines on sampling and testing for arsenic” that were then under development. The EGAT Bureau completed these guidelines, and the Africa Bureau has packaged them in a document titled, “Guidelines for Determining the Arsenic Content of Ground Water in USAID-Sponsored Well Programs in Sub-Saharan Africa.” The SO team must assure that the standards and testing procedures described in this guideline document are followed for potable water

iii) Potential use of pesticides including the use of disinfectants in managing Banana *Xanthomonas Wilt* Disease in the C3P project, and other research activities under IR 2.1.

Use of disinfectants require a pesticide IEE to be completed before they can be implemented. A Pesticide IEE will be completed for the C3P project to ensure that any use of pesticide as defined by Reg. 216, conforms to the requirements.

iv) Environmental Screening and Review for sub grant activities

Any grants or other monetary transfers of USAID funds (e.g., subgrants) to support this program’s activities must incorporate provisions that the activities to be undertaken will comply with the environmental determinations and recommendations of this IEE. This includes assurance that the activities conducted with USAID funds fit within those described in the approved IEE or IEE amendment and that any mitigating measures required for those activities be followed.

Condition: In the event that sub-grants and small grants will support activities with the potential for impact on the environment, the Strategic Objective Team and the implementing partners have the responsibility for assuring that an environmental screening process is introduced using the Africa Bureau Environmental Review Form in their sub-grant procedures. USAID Africa Bureau's Environmental Guidelines for Small-Scale Activities in Africa: [link to Small Scale Guidelines](#).

3. A deferral of a threshold determination, per 22 CFR 216.3(a)(7)(iii), is recommended for any use of pesticides including disinfectants in:

(a) the C3P program in controlling the Banana *Xanthomonas Wilt* Disease (BXW) pending finalization of a regional Pesticide IEE. The activity (ies) involved may not proceed until the IEE is amended to lift the deferral, once the appropriate environmental review has occurred.

(b) Response if required to an outbreak of Highly Pathogenic Avian Influenza (HPAI) virus. A pesticide IEE will be prepared on the basis of the Africa Bureau Programmatic IEE titled “Regional USAID Response to Avian Influenza Outbreak.”

These activities require a pesticide IEE (PERSUAP) to be completed before they can be implemented and funds obligated.

4. Pesticides: This IEE does not cover procurement, use, transport, storage or disposal of pesticides or other toxic materials, which would require an amended IEE, pursuant to 22 CFR 216.3(b), USAID’s Pesticide Procedures. Likewise, any activities implicating the testing and use of genetically-modified organisms (GMOs) or life-modified organisms (LMOs) shall be subject to review under the Agency’s Biosafety procedures.

5. Monitoring and Evaluation: Per ADS 204.5.4, USAID/EA shall actively monitor ongoing activities for compliance... and modify or end activities that are not in compliance, and ensure that adequate time and resources are available to bring all activities into compliance with the requirements of this IEE

APPROVAL OF THE RECOMMENDED ENVIRONMENTAL ACTION:

CLEARANCE:

Mission Director:

_____/signed/_____
Cheryl Anderson

Date: __08/03/06__

CONCURRENCE:

Bureau Environmental Officer:

Brian Hirsch

Date: 8/15/06
Approved: X
Disapproved: _____

Filename: XXUSAID-East Africa SO10 REGI Reg Econ Growth IEE 081406
_____(USAID/AFR BEO)

CLEARANCE:

General Counsel (Africa Bureau):

John Niemeyer

Date: _____

ADDITIONAL CLEARANCES: (Add as appropriate; type name under signature line)

SO 10 Office Chief: ____/signed/_____
David Atteberry

Date: __08/02/2006__

Sustainable Agriculture Office: ____/signed/_____
Peter Ewell

Date: __08/02/2006__

Trade Division Office: ____/signed/_____
Nzuki Mwanja

Date: __08/02/2006__

Regional Environmental Officer

(USAID/EA): ____/signed/_____
Walter Knausenberger (signed by D. Kinyua, for)

Date: __08/02/06__

INITIAL ENVIRONMENTAL EXAMINATION

Program/Activities: Strategic Objective 623-010 Increased Regional Economic Growth and Integration

Country/Region: East Africa Regional Mission

1.0 PURPOSE AND SCOPE OF THIS INITIAL ENVIRONMENTAL EXAMINATION (IEE)

The purpose of this IEE is to provide threshold determinations for USAID/EA Strategic Objectives 10: Increased regional economic growth and integration in accordance with the requirements of Regulation 22 CFR 216 (Reg. 16), ADS 204.5.4 and ADS 303. This is meant to achieve environmentally-sound activity designs, and also to allow for future amendments of the IEE, as new activities are added or existing ones are extended or cancelled. It builds directly upon the extensive IEE for the foregoing SO 5, most of whose programs are being carried on. The SO's team members and activity implementing partners are responsible for the implementation of recommended adverse environmental impact mitigation and monitoring measures, and for ensuring that the activities remain as Categorical Exclusions, and within the bounds of Negative Determination with Conditions. The activities under deferral shall not be implemented until the deferral has been lifted by amending this IEE and finalizing a pesticide IEE.

This requires undertaking periodical field visits to the project areas to assess the status of implementation and performance of recommended adverse impact mitigation and monitoring measures, and to modify or end activities that are not in compliance.

2.0 SUMMARY OF COUNTRY ENVIRONMENTAL INFORMATION

USAID/East Africa Region encompasses east and central Africa. Kenya, Uganda, Tanzania, Ethiopia, Sudan, Rwanda, Somalia, Burundi, Djibouti, Comoros, Madagascar and Democratic Republic of Congo (DRC). Specific Country environmental information can be found in each country's strategy. In general persistent development challenges include low economic growth rates, food insecurity with recurring food emergencies, and inadequate transportation and communications infrastructure.

Persistent development challenges include low economic growth rates, food insecurity with recurring food emergencies, and inadequate transportation and communications infrastructure.

Baseline environmental data and country information can be found in each countries environmental status threats and opportunities assessment (ETOA). Some details may also be found in REDSO *Environmental Threats and Opportunities Assessment*, 2000.

3.0 USAID/EA/ REGIONAL ECONOMIC GROWTH & INTEGRATION (REGI) PROGRAM DESCRIPTION

3.1 Increased Regional Economic Growths and Integration

The Strategic Objective 10, of USAID/EA will consolidate the institutional gains of REDSO's work with African partners over the past five years while intensifying efforts to increase trade and agricultural productivity, primarily in transformational development countries. It aims at reducing poverty and malnutrition and stimulating economic growth in Africa. This will require significant increases in the productivity and competitiveness of agriculture, especially the dominant smallholder sector that has stagnated over recent decades. Recent analyses show that these trends can be reversed. African regional institutions provide a framework for coordinated investments and policy reforms to boost agricultural trade within eastern and southern Africa and to global markets, and to increase the productivity of smallholders so that they can respond to improved market opportunities and increase their incomes. Reducing barriers to trade in regional and global markets and raising rural incomes are the basic

principles of two Presidential initiatives in which REDSO is a partner: the Presidential Initiative to End Hunger in Africa (IEHA) and the African Global Competitiveness Initiative (AGCI). These USG programs for Africa align with commitments of African governments and other G8 donors through NEPAD to the Comprehensive Africa Agricultural Development Program (CAADP) which lays out programs to increase the growth rate of the agricultural sector to six percent per year by 2015, a key step towards the Millennium Development Goals.

Emphasis will be given to expanding intra-African trade and exports from Africa to the U.S. and global markets by improving grades, standards and policy harmonization. REDSO will further develop its transport corridor initiative through multi-sector programming particularly combating HIV/AIDS transmission and, pending available funding, expanding the activity geographically in response to interest from bilateral missions.

Recognizing the effects of trade on gender inequality, emphasis will be given to gender equity and analysis in assessing the benefits, gains, costs and losses from trade and regional agreements. Activities will be designed to ensure that trade contributes to full and meaningful employment, harmonization and safeguarding of workers' rights, and reducing wage differentials. To further enhance competitiveness, producer networks will be assisted in meeting private and international social and environmental quality standards, including SPS. Activities will further develop and expand REDSO's strong partnerships with regional organizations and private sector associations working in technology development and transfer, biotechnology, natural resources management, integrated pest and pesticide management, and economic policy implementation, while seeking to promote new public-private alliances that work constructively with extractive industries. Opportunities for linkages with bilateral private sector support activities will be maximized. Trans-boundary biodiversity activities will address watershed protection linked to productive livelihoods and conflict mitigation; and vulnerability to global climate change will be reduced through better land management practices.

Vulnerable rural livelihoods and food insecurity are chronic features of the ECA region as a result of a range of factors including, drought and natural disasters, conflict, HIV/AIDS and other diseases and economic crises that cause instability and diminish economic prospects for subsistence agriculturalists and pastoralists. Thus more deliberate and systematic linkages between sustainable economic development and humanitarian interventions, based upon lessons learned, will ensure relevant support to pockets of fragility and fragile states and to people infected and affected by HIV/AIDS. Sustainable natural resource management will be integrated more productively in livelihoods activities and coordination with DCHA offices, including Food for Peace and OFDA, will figure prominently. These offices have long contributed to the regional capacity for the analysis, dissemination and use of information on vulnerability and early warning through FEWSNet and IGAD Center for Climate Prediction and Application (ICPAC). REDSO plans to create a Regional Grains Alliance in Eastern Africa to introduce new ways of doing business and to better manage grain reserves and nutrition support programs by bringing together grain traders, banks, farmers' associations and regional partners involved in food aid warehousing and transport.

There are three Intermediate Results (IR) under this SO and are shown below with their sub- IRs and illustrative activities.

IR 1: improve the effectiveness of African trade institutions through increased integration, enhanced private sector development, competitiveness, investment and access to economic and social infrastructure;

I.R.1.1: Increased integration of African economies into regional and global markets

- More countries become members of economic blocks
- Inter state transport and telecommunications networks developed and well managed

- WTO standards become a key to trade policy making
- African institutions champion international negotiations in the form of inter-country trade blocks
- Production for regional and international markets differentiated and emphasized by African businesses
- African economic blocks champion policies adopted at the international forums.

I.R.1.2: Improve private sector development, competitiveness, market knowledge and skills

- Private sector development improved in select champion countries
- Private sector agenda for trade developed and discussed both at country and regional level
- Private sector competitiveness strengths and weaknesses identified by country and region
- Cross border discussions and lobbying taking place to promote private sector
- Private sector market intelligence networks intensified
- Private sector championing their training needs.

I.R.1.3: Increase trade and investment (value/volume, of products and commodities)

- Trade in select countries increased
- Investment along trade corridors increased
- Agriculture, Industry and services start showing their real regional and international trade yields
- Regional trade increased for select commodities.

I.R.1.4: Expand access to economic and social infrastructure

- More business people business associations organized to access both national, regional and international investment finances for their members
- High level negotiations taking place with financial institutions on financing possibilities
- Private sector investments in infrastructure enhanced
- Private sector agitating for policy improvements on trade, transport and telecommunications infrastructure management, ownership and use.

IR 2: enhance the productivity of agriculture and management of natural resources through improved technologies and practices and harmonized policies

I.R.2.1; Enhanced availability of improved technologies, practices, and knowledge

- Regionally coordinated research-for-development pulling together capacity from various countries on topics of regional priority, including biotechnology and natural resource management
- Technologies and knowledge made available regionally and disseminated quickly, in response to identified needs
- Partnerships mobilized with the private sector, international and national NGOs, and national institutions to get technologies and knowledge into the hands of smallholder farmers and other potential users along the market chains.

I.R.2.1 Harmonized policies and regulations championed by African regional partners

- Harmonized policies and regulations strengthen regional markets for seed, fertilizers, and other inputs,
- Regional consultations and harmonized development of national biosafety and intellectual property policies and regulations expedite the availability of new technologies
- Transboundary approaches to natural resources management championed

I.R.2.2; Improved regional institutional capacity and networking

- Improve management systems, service delivery, governance structures
- Promote information sharing between public and private sectors
- Promote improved use of ICT for networking

IR 3: advance the integration of vulnerable groups, including people living with HIV/AIDS, into sustainable development through improved information, support to build assets and diversify income sources, better natural resources management and access to national and regional markets.

I.R.3.1; Improved regional capacity for the analysis, dissemination, and use of information on vulnerability and early warning of food insecurity

- Strengthened capacity and broadened use of the outputs of ICPAC and FEWSNet
- Strengthened links with SAKSS, VAM, and other sources of analytical information

I.R.3.2; Regional support mobilized for building assets and diversifying sources of income

- Improved access to technologies, knowledge, and best practices from ASARECA, NARIs, etc.
- Shared best practices on productive safety nets and other mechanisms to reduce chronic dependency on food aid and other forms of emergency assistance
- Improved capacity to respond with coordinated responses to regional threats to household food security: spread of pests and diseases, increased droughts, etc. (Famine Fund)
- Strengthened capacity of farmers' organizations and other groups

I.R.3.3 Regional support mobilized for improved community-based NRM

- Improved access to technologies, knowledge and best practices on land, water, and forest management
- Shared best practices on enhanced economic benefits from ecosystem services
- Regional support the reform and harmonization of policies and regulations

I.R.3.4 Access to dynamic national and regional markets improved

- Regional support for strengthening organizations of farmers and traders to link into regional markets. Mechanisms may include procurements for food aid, management of regional food reserves, warehouse receipt schemes, etc.
- Market information systems adapted to the requirements and conditions of farmers organizations, NGOs, CBOs etc.

By the end of the strategy period it is expected that the ECA region will see significant increases in intra-regional trade for selected commodities; increased export earnings for the region (both intra-regionally and globally); and agricultural productivity of targeted commodities (e.g. dairy, coffee, maize, cassava, banana) will be measurably and sustainably improved. This will be realized, in part, through expanded partnerships and functional programmatic linkages between bilateral Mission program partners, other USAID Bureaus/Offices (e.g. DCHA), and the African regional institutions and partners with whom REDSO continues to provide organizational development, support, and strengthening.

3.2 Africa Growth Competitive Initiative (AGCI)

The goal of AGCI is to promote the export competitiveness of Sub Saharan Africa (SSA) enterprises in order to expand African Trade with the US., with other international trading partners, and regionally within Africa. AGCI builds on the African Growth Opportunity Act (AGOA) and TRADE Initiative (Trade for African Development and Enterprise). AGCI has for IRs: 1) Improve the Business and Regulatory Environment; 2) Improve the Market Knowledge, Skills, and Abilities of Private Sector Enterprises to Trade; 3) Increase Access to Financial Services for Trade and Investment; and 4) Facilitate Investment in Infrastructure.

The Intermediate Result 1 of the SO 10 (shown above) has four sub-IRs which fully incorporates and expands on the four intermediate results of AGCI. AGCI is expected to replace the current RATES and ECA TRADE Hub activities being implemented under the current SO 5, from September 30, 2007.

Activities description under AGCI:

IR 1: Improve the Business and Regulatory Environment for Private Sector-led Trade and

Investment

The expected results of the improved business and regulatory environment objective include:

- African Growth and Opportunity Act (AGOA) Forum support provided;
- Improved capacity of SSA countries to meet World Trade Organization (WTO) agreements;
- A 25% reduction in the time and cost to establish a formal business and comply with formal business regulations, in participating countries;
- Reduced tariff and procedural barriers affecting at least 50,000 enterprises in at least 25% of AGOA eligible countries. Work with Regional Economic Organizations to reduce mean tariff rating (scale from 1 to 10, World Bank Doing Business Indicator), particularly along the selected transportation corridors; and
- Improved intellectual property rights laws and regulations in at least six countries.

IR 2: Improve the Market Knowledge, Skills, and Abilities of Private Sector Enterprises to Trade

Results of increased private sector competitiveness in AGOA eligible countries include results such as:

- Improved enterprise competitiveness and expanded domestic and international sales, including meeting AGOA requirements;
- Adoption of more competitive business practices to meet market and regulatory requirements by over 25,000 employees of African enterprises, e.g., food safety (Hazard Analysis and Critical Control Point - HACCP), and rules of origin;
- 20,000 enterprises, trade and business associations are able to analyze market information and make changes to product development and marketing as needed;
- Increased innovation, improved design, and adoption of new or improved technologies;
- Stronger links in value chains, establish business linkages to the U.S., African businesses, and businesses in other continents;
- Improved ability of the private sector to meet international requirements for sanitary and phytosanitary standards for exports by building capacity in selected SSA regional and national organizations to administer plant and animal health systems, food safety and veterinary inspections services, and;
- Private business or trade associations are effectively promoting public sector reform in trade, investment, and business development regulations (number of reforms advanced, enacted, and implemented as a result of advocacy by Africa's private sector associations), in at least 25% of AGOA eligible countries.

IR 3: Increase Access to Financial Services for Trade and Investment

Expected results of facilitating enterprises to gain access to finance are to increase the flow of finances to enterprises through major reforms in several AGOA eligible countries in areas such as the following:

- Improved information flows and reduced credit risk through introduction/expansion of credit bureaus, assuring the participation of small and medium borrowers, including women entrepreneurs (e.g., country's rank for ease of getting credit and percent of tertiary business students that are women);
- Expanded access to asset-based finance by facilitating the adoption of a system of harmonized collateral lending in at least 20% of the SSA AGOA eligible countries, assuring access to small and medium borrowers, including women entrepreneurs;
- Increased proportion of credit to the private sector in the banking sector's portfolio; and
- Strengthened borrower financial transparency, such as countries credit information index (scale from 0 to 6; World Bank Doing Business).

IR 4: Facilitate Investment in Infrastructure and Associated Governance

Results of facilitating improvements in infrastructure include increasing investments and improving economic governance related to trade, where investments could total over \$1.0 billion dollars in AGOA

eligible countries. The increased investments will result in decreased costs of production and delivery of goods and services. It is anticipated that the project portfolio will include results such as:

- Reduced time and costs of trading across borders along at least five major transportation corridors. This will involve:
 - leveraging investments and financing of the road infrastructure and facilitating one stop border crossings; and
 - helping to introduce procedural reforms and improved economic governance for trade facilitation measures particularly customs and procedural reforms, at border crossings (using measures from the World Bank “Doing Business Report”)
- Increased availability of affordable and reliable supply of energy. This includes leveraging investments in the West Africa Power Pool, the Southern Africa Power Pool, the Central African Power Pool, and the East Africa Power Pool;
- Expansion of information and communication technology;
- Diversification in the number of institutions investing in infrastructure to include 1/3 capital markets, 1/3 financial institutions, and 1/3 host country governments; and
- Local capacity built to develop, finance, construct, operate, regulate, manage, and maintain economically viable infrastructure projects.

3.3 Activities from the previous Strategic Objective 5

SO 10 which succeeded SO 5 will continue to implement the activities started in the previous strategy and to work with many partners that were implementing the program activities. The activities that are continuing under this Objective are shown below.

3.3.1 Association for Strengthening Agricultural Research in East and Central Africa (ASARECA)

ASARECA is a regional, non-political organization that brings together National Agricultural Research Institutes (NARI's) from 10 countries in East and Central Africa (ECA): Democratic Republic of Congo (DRC), Eritrea, Ethiopia, Kenya, Madagascar, Rwanda, Burundi, Sudan, Tanzania, and Uganda. REDSO funds the Secretariat, which supports the following core activities: ASARECA through its many networks, continues to implement activities from the SO 5 (See SO 5 IEE for details: [34REDSO2_SO5_FoodSecurity.doc](#)) which includes; organization development, strategic planning, Monitoring and evaluation, agricultural policy harmonization, coordination of research networks, biotechnology and biosafety program development

3.3.2 Famine Early Warning Systems Network (FEWSNET)

Chemonics is implementing phase II of this program starting FY2005 in the region. Activities under this SO 11 will include: a regional food security stakeholders database, food security assessment, workshops, best practices compendium, information dissemination and coordination of regional stakeholders.

3.3.3 IGAD Climate Prediction and Applications Center (ICIPAC)

ICIPAC was awarded an additional grant in FY 2005 for capacity building, organization development and institutional strengthening, climate prediction (seasonal weather forecasts), assessments and information dissemination.

3.3.4 Regional Agricultural Trade Expansion Support (RATES) Program

Program is continuing from previous strategy. The main objective of the activity is to increase the volume and value of trade in selected agricultural commodities within the ESA region by focusing on the trade barriers affecting specific commodities including Maize, coffee, cotton, beans/pulses, horticulture, livestock, maize, roots/tubers, oilseeds, and recently added, dairy.

3.3.5 COMESA Economic Growth Strategic Objective Agreement (SOAG)

The Common Market for East and Southern Africa (COMESA) is a regional organization of 20 countries throughout eastern, central and southern Africa. Activities include: promotion of economic growth focused, business partnerships, trade development, regional telecommunications harmonization, and institutional strengthening,

3.3.6 East and Central African Global Competitiveness Hub (TRADE HUB)

Activities are a carry over from SO 5. This activity seeks to reinforce regional efforts enhancing East and Central Africa's trade competitiveness and thereby take greater advantage of the increased trading opportunities provided through the Africa Growth and Opportunity Act (AGOA) and other global trade initiatives.

Capacity building for trade policy formulation and implementation; development and implementation of public and private sector business support strategies for increasing trade under AGOA and Improvement of the efficiency and reduction of the cost of trade-related transportation.

Cross-Cutting Activities

The Cross-Cutting activities focus on the mainstreaming of environmental compliance, gender considerations, organizational development/institutional strengthening, biotechnology and biosafety, provision of information, communication and technologies (ICTs) and USAID Environmental Procedures (22 CFR Part 216, or Regulation 216) compliance.

The SO 10 crossly corroborates with SO 11; A Healthier Population in the ECA Region Achieved Through African Leadership, to implement HIV/AIDs program along the northern Corridor. Human settlements have developed or expanded along this corridor especially at the overnight truck stopping stations. The aim of the initiative is to contribute to the physical and social development of the transport corridor hubs into multi-dimensional economic growth points and to meet critical needs of long distance drivers, their families and the mobile populations and communities with which they interact. These activities are described fully in the SO 11 and reviewed under the SO11 draft IEE.

This SO also works closely with SO 9: Peace Advanced in the Horn and Great Lakes, to improved governance and anticorruption along the northern transport corridor.

3.3.7 Regional Environmental Management and Assessment Capacity Building Program (ENCAP)

Environmental Capacity building activities will continue to be funded jointly under the SO and Africa Bureau to support environmental assessment courses for USAID missions staff, implementing partners, and host governments staff in the region and resource material development.

3.3.8 Development of a regional Science and technology by African Centre for Technology Studies (ACTS)

ACTS has a grant from carried over from the previous strategy to establish a regional science and technology Institute. Main activities include organization development, training, marketing, strategic and business plan development.

3.4 New Activities

3.4.1 Crop Crisis Control Program (\$5,000,000)

The project aims to control the spread of diseases due to Cassava Mosaic Virus (CMVD) and Banana *Xanthomonas* Wilt (BXW), which are spreading rapidly through Uganda, western Kenya, Rwanda, Burundi, western Tanzania, eastern Democratic Republic of the Congo (DRC), and into neighboring

countries. This will contribute to increased production of cassava and banana crops, which are staple food crops as well as fruit and cash crops that are essential for ensuring food security in the ESA region.

Description of Project Activities

The illustrative activities:

- Share information and best practices, respond to the diseases more quickly and efficiently, reduce the numbers of households that become food insecure, and speed up the process of recovery.
- Put in place, systems that will significantly increase the availability of planting materials of resistant cassava varieties, and provide information about banana wilt control in high-priority target areas.
- Mobilize political will of the national governments and regional organizations, and also focus and coordinate donor attention, so that multiple sources of funding can be accessed and coordinated in each country.
- Provide support to international, regional, and national agricultural research and development organizations (i.e. with USAID Missions, OFDA, and other donors) for increased response in multiplying and distributing disease-resistant cassava varieties and by diffusing information on banana wilt control.
- Strengthen linkages among national research organizations to make improved varieties and practices available with international and local NGOs, supported with both emergency and development funding.
- Multiply cassava and banana planting material to help affected communities, using ASARECA's regional cassava and banana networks, working closely with the international centers (i.e. IITA and INIBAP).
- Strengthen a coordinated regional approach to control the two diseases across national boundaries, through quick response to reach large numbers of affected households by introducing long-term solutions to disease control.
- Pay more attention to learning from best practices in other countries by multiply disease resistant planting material and by training field personnel before disease outbreak.
- Encourage sufficient coordination among research organizations, government agencies, NGOs, and other partners in the region for effective control of cassava and banana wilt.

At the end of the Famine Fund project, the following specifics will have been achieved, including setting quantity targets and milestones during the planning workshop to be organized as the first major project activity.

Implementation Mechanisms

The five million dollars from the Famine Fund will be obligated immediately into the LSGA with COMESA to provide an institutional framework and policy direction. REDSO will use its own staff and procurement mechanisms to contract a consortium of NGOs, headed by a lead organization to manage the day-to-day activities. The lead organization will organize a planning workshop at which a detailed work plan and a system for performance monitoring and evaluation will be developed.

3.4.2 Trans boundary Water for Biodiversity in Mara River Basin (TWB-MRB) (\$700,000)

This program is a response to the REDSO biodiversity earmark. It is a \$700,000 two-year (FY 2006 and 2007) activity (\$337,000 first year) to develop a biodiversity-focused integrated water resources management program in the Mara River Basin.

The Mara-Serengeti ecosystem is one of earth's biodiversity treasures. It is also an ecosystem whose survival is dependent upon trans-national management of critical natural resources. The survival of the Mara-Serengeti's biodiversity hinges on trans-national flows of water that sustain species by providing unique riverine habitats and serving as refuges from annual droughts and periodic mega droughts. But these life-giving flows are threatened by growing water scarcity due to excessive upstream abstraction and contamination through poor land-management practices and discharge of untreated waste.

A Biodiversity focus is regarded as an “entry point” for practical interventions promoting regional integration, and to advance increased understanding of the linkages among water, biodiversity, livelihoods, resource rights, gender and conflicts; and thereby promote effective prevention and management of conflicts involving natural resources and environment.

REDSO’s support explicitly links the related natural resources management investments of the USAID/Kenya and Tanzania programs in the Greater Mara-Serengeti eco-region.

Objectives

1. Implementing a coordinated and a participatory program to facilitate improved and harmonized river basin management practices and policies to ensure sufficient flows of clean water to service multi-sectoral needs, especially biodiversity.
2. Promoting a trans-boundary agreement that will ensure water flows to sustain the biodiversity of the Mara-Serengeti ecosystem.
3. Promoting explicit biodiversity conservation results that go beyond positive externalities of an integrated water resources management (IWRM) activity, and to monitor indicators for biodiversity conservation.

Results Expected (2005- 2007):

CORE RESULTS:

1. *Explicit biodiversity objectives and indicators* will be defined and agreed upon by key stakeholders, including the natural resources management programs of USAID/Kenya, REDSO and Tanzania operating in the Greater Mara-Serengeti eco-region, in the context of integrated water resources management.
2. *A shared understanding of their water needs will be established between the Maasai-Mara and Serengeti conservation areas* and of their potential roles in a water allocation schedule and trans-boundary management mechanism. A credible quantification of the water needs of the Maasai-Mara and Serengeti conservation areas will be provided to key stakeholders, based on sound scientific data and developed by an experienced team of regional and international experts. The work needs to support decision-making by resource users and local institutions facing a wide range of critical water use, water quality and equity problems.
3. *A Regional Strategic Environmental Assessment (SEA) will be produced.* In the first year, a Scoping Statement will be produced laying out the priority issues, threats, opportunities and action alternatives for a regional SEA in the Mara River Basin, consistent with the *EAC Guidelines for Regional Environmental Impact Assessment of Shared Ecosystems in East Africa*. In the second year, the SEA will be carried out and completed.
4. *Progress will be made towards a framework for trans-boundary management of water in Mara River basin.* A consensus-building series of multi-stakeholder workshops will be organized, involving the national governments of Kenya and Tanzania and other key regional and national stakeholders, to identify the necessary action steps to be taken to develop and implement the political and legal framework for trans-boundary management of water in Mara River basin. The workshops will be carried out under the auspices of the Lake Victoria Basin Commission in association with the Nile-Equatorial Lakes Subsidiary Action Programme (NELSAP) of the Nile Basin Initiative.
5. *A body of knowledge on IWRM will be generated* to support biodiversity and environmental

governance policy engagement in the Mara River Basin, from the regional to local levels.

6. *A well-documented model of the stakeholder engagement process will be established and field-tested, which can be applied to other user groups as the process continues, to advance increased understanding of the linkages among water, biodiversity, livelihoods, resource rights, gender and conflicts; and thereby promote effective prevention and management of conflicts involving natural resources and environment.*
7. *Capacity will be strengthened in selected regional and national community-based organizations and/or associations dealing with water and biodiversity management.*

In the first year of the project, steps will be taken that will yield immediate results and set in motion a process to develop a permanent trans-boundary management framework, based on sound science, broad-based stakeholder involvement, and strong national buy-in.

3.4.3 Regional Enhanced Livelihood for Pastoral Areas Program (RELPA) (\$14.8 M FY 2007-08)

The 2005/2006 drought emergency which cut across Kenya, Somalia and Ethiopia required an immediate response, but if ongoing food assistance and regular emergencies are going to be avoided, it also requires longer-term solutions which re-establish livelihoods and resiliency.

USAID's regional approach to the drought-related pastoral livelihood crisis in northeastern Kenya, southern Ethiopia and southwestern Somalia will complement ongoing bilateral activities and more importantly, address relevant trans-border issues that cannot be effectively addressed by bilateral programs alone. Care will be taken that programs designed to provide recovery do not in themselves exacerbate the problems that they mean to address, i.e. programs providing resources on one side of a national border attracting vulnerable people from neighboring states

USAID proposes financing partners to help break the downward spiral of pastoral systems and establish a new paradigm to foster economic growth and hope in these areas. The unique flexibility of these funds will enable USAID to:

- Increase the reach and impact of current emergency and stabilization activities by adding critical components of inter-community and cross-border conflict management, capacity building at the community level for the delivery of critical basic services; and communication strategies to expand humanitarian access through the provision of information.
- Jump start the process of building resiliency through strengthening pastoral, agro-pastoral, and alternative livelihoods in the target area.
- Strengthening regional early warning systems including building on the policy and protocols of governments with donors to trigger an emergency livestock response early enough to save livelihoods as well as lives.
- Leverage policy change and sustained investment required to strengthen the economic and social viability of the Horn of Africa pastoralist livelihood system.

Proposed components and illustrative activities

- i) **Improved livestock-based pastoralist livelihoods**
 - Improved livestock marketing and production systems- policies and infrastructure deficiencies will be addressed
 - Improved animal health-training in animal health issues and improved access to animal health services, encourage and support private sector veterinary clinics, vaccination and parasite control measures, cooperation and disease surveillance and mitigation measures,

- livestock inspection and movement certification issue
- ii) **Improved Natural Resource Management**
 - Pastoralist communities will formulate and implement activities to mitigate and/or prevent natural resource degradation. Activities will be fencing around water points, separate livestock access to water, better management of irrigation resources, better management of rangelands and forests, training of herdsman training to farmers and agro-pastoralists in improved farming and mitigation of environmental degradation
 - iii) **Alternative Livelihoods Options**
 - Illustrative activities would be training, credit provision, and introduction of new technological best practices and business models to broaden the available economic opportunities in the target area. Successful models in the area include women's cooperatives focused on savings and credit, mutual support, business training, and training in literacy and numeracy. Other options include providing the financial inputs necessary to transform direct food distributions to "food for work" projects: i.e. small-scale road, water, schools, health infrastructure construction.
 - iv) **Linkage to complementary activities**
 - Bridging emergency activities to livelihoods enhancement. Activities will include emergency activities in water, sanitation, and nutrition activities
 - v) **Regional Coordination and Analysis**
 - Activities will be stakeholders meetings, coordination, production of harmonized project guidelines, improved capacity of NGO, governments and other partners to design and implement participatory monitoring and impact assessment, radio production and broadcasting, final report preparation,
 - vi) **Coordinated Regional Conflict Resolution and Mitigation**
 - Peace committees and civil society organizations organized and trained
 - vii) **Rural radio and other media**
 - Communication / media strategy aimed at the target population to disseminate critical emergency and early warning information, livestock market information, and provide basic education programming.
 - viii) **Facilitating Regional trade**
 - Draft policy recommendations to improve cross-border movement and trade in livestock
 - ix) **Policy and governance**
 - Improved social and economic policy environment for pastoral areas
 - x) **Improving policy and governance on the local level**
 - Will enable cross border dialogues among pastoralists. Activities are linkages, workshops and other fora
 - xi) **Giving Pastoralists a Regional Voice**
 - Support of local civil society groups
 - xii) **Linking to governments, regional bodies, and donors**
 - Effective representation at the governmental, regional and donor levels
 - Documentation on baseline socio-Economic data for the target area, environmental baseline data, progress reports, social economic data and development vision.

3.4 Activity Groups

Table. 1: SO 10 has many partners carrying out many similar activities, and they are grouped according to their similarities to avoid repetitive language, for ease of analysis and environmental evaluation as below.

Activity Group	Activities
Networking, linkages, policy	All the new SO activities except IR 2.1 belong in this group of activities: I.R.1.1: <i>Increased integration of African economies into regional and</i>

Activity Group	Activities
making, capacity building, standards, analysis, studies, reports, documentation, promotion of trade, negotiations, information dissemination, Technical assistance and nutrition activities under OFDA	<p data-bbox="695 226 878 254"><i>global markets</i></p> <ul data-bbox="602 260 1474 600" style="list-style-type: none"> • More countries become members of economic blocks • Inter state transport and telecommunications networks developed and well managed • WTO standards become a key to trade policy making • African institutions champion international negotiations in the form of inter-country trade blocks • Production for regional and international markets differentiated and emphasized by African businesses • African economic blocks champion policies adopted at the international forums. <p data-bbox="578 606 1409 674"><i>I.R.1.2: Improve private sector development, competitiveness, market knowledge and skills</i></p> <ul data-bbox="594 680 1468 995" style="list-style-type: none"> • Private sector development improved in select champion countries • Private sector agenda for trade developed and discussed both at country and regional level • Private sector competitiveness strengths and weaknesses identified by country and region • Cross border discussions and lobbying taking place to promote private sector • Private sector market intelligence networks intensified • Private sector championing their training needs. <p data-bbox="565 989 1382 1056"><i>I.R.1.3: Increase trade and investment (value/volume, of products & commodities)</i></p> <ul data-bbox="586 1062 1446 1241" style="list-style-type: none"> • Trade in select countries increased • Investment along trade corridors increased • Agriculture, Industry and services start showing their real regional and international trade yields • Regional trade increased for select commodities. <p data-bbox="561 1234 1295 1276"><i>I.R.1.4: Expand access to economic and social infrastructure</i></p> <ul data-bbox="586 1272 1451 1549" style="list-style-type: none"> • More business people business associations organized to access both national, regional and international investment finances for their members • High level negotiations taking place with financial institutions on financing possibilities • Private sector investments in infrastructure enhanced • Private sector agitating for policy improvements on trade, transport and telecommunications infrastructure management, ownership and use. <p data-bbox="553 1543 1398 1610"><i>I.R.2.1; Enhanced availability of improved technologies, practices, and knowledge</i></p> <ul data-bbox="578 1604 1406 1803" style="list-style-type: none"> • Technologies and knowledge made available regionally and disseminated quickly, in response to identified needs • Partnerships mobilized with the private sector, international and national NGOs, and national institutions to get technologies and knowledge into the hands of smallholder farmers and other potential users along the market chains. <p data-bbox="548 1797 1360 1864"><i>I.R.2.1 Harmonized policies and regulations championed by African regional partners</i></p> <ul data-bbox="570 1860 1406 1902" style="list-style-type: none"> • Harmonized policies and regulations strengthen regional markets for

Activity Group	Activities
	<p>seed, fertilizers, and other inputs,</p> <ul style="list-style-type: none"> • Regional consultations and harmonized development of national biosafety and intellectual property policies and regulations expedite the availability of new technologies • Transboundary approaches to natural resources management championed <p><i>I.R.2.2; Improved regional institutional capacity and networking</i></p> <ul style="list-style-type: none"> • Improve management systems, service delivery, governance structures • Promote information sharing between public and private sectors • Promote improved use of ICT for networking <p><i>I.R.3.1; Improved regional capacity for the analysis, dissemination, and use of information on vulnerability and early warning of food insecurity</i></p> <ul style="list-style-type: none"> • Strengthened capacity and broadened use of the outputs of ICPAC and FEWSNet • Strengthened links with SAKSS, VAM, and other sources of analytical information <p><i>I.R.3.2; Regional support mobilized for building assets and diversifying sources of income</i></p> <ul style="list-style-type: none"> • Improved access to technologies, knowledge, and best practices from ASARECA, NARIs, etc. • Shared best practices on productive safety nets and other mechanisms to reduce chronic dependency on food aid and other forms of emergency assistance • Improved capacity to respond with coordinated responses to regional threats to household food security: spread of pests and diseases, increased droughts, etc. (Famine Fund) • Strengthened capacity of farmers' organizations and other groups <p><i>I.R.3.3 Regional support mobilized for improved community-based NRM</i></p> <ul style="list-style-type: none"> • Improved access to technologies, knowledge and best practices on land, water, and forest management • Shared best practices on enhanced economic benefits from ecosystem services • Regional support the reform and harmonization of policies and regulations <p><i>I.R.3.4 Access to dynamic national and regional markets improved</i></p> <ul style="list-style-type: none"> • Regional support for strengthening organizations of farmers and traders to link into regional markets. Mechanisms may include procurements for food aid, management of regional food reserves, warehouse receipt schemes, etc. • Market information systems adapted to the requirements and conditions of farmers organizations, NGOs, CBOs etc. <p>Other activities in this group:</p> <p>a. ACTS: Institutional strengthening, organizational development and training</p> <p>b. FEWSNET: studies, workshops, capacity building, data base, assessments and dissemination</p> <p>c. Crop Crisis Control Program (C3P): sharing information, mobilizing support in the region, coordination of donor national governments, strengthening linkages among regional research bodies, strengthening regional approaches, best practices and lessons learned disseminations.</p>

Activity Group	Activities
	<p>d. Transboundary Water for Biodiversity in Mara River Basin (TWB-MRB): transboundary agreements, harmonized river basin management and policies, biodiversity conservation, studies and documentation, capacity building and coordination of water Users Association.</p> <p>e. ELPA: policies development in livestock marketing, animal health training, training of herdsman, best practices, new technology, financial inputs, meetings, coordination, reports, radio programming, broadcasting, training of peace committees, media strategy, marketing information dissemination, policy recommendations, support to civil society and documentation and nutrition activities under OFDA</p> <p>f. AGCI: all the activities in IRs 1 to 3 and policy related activities under IR 4.</p>
Small scale construction	<p>ELPA: Improved Natural Resource Management</p> <ul style="list-style-type: none"> • Activities will be fencing around water points, separate livestock access to water, better management of irrigation resources, better management of rangelands and forests under OFDA direct grants (\$5,000,000) • Alternative livelihood options: food for work” projects: i.e. small-scale road, water, schools, health infrastructure construction • Bridging emergency activities to livelihoods enhancement. Activities are emergency activities in water, sanitation, and nutrition activities under OFDA <p>AGCI: elements of IR. 4, including :</p> <ul style="list-style-type: none"> • Reduced time and costs of trading across borders along at least five major transportation corridors, involving: leveraging investments and financing of the road infrastructure and facilitating one stop border crossings;
Activities covered by the previous SO 5 strategy and IEE (34REDSO2_SO5_FoodSecurity.doc)	Activities designed and covered by SO 5 IEE: are; ASARECA, ICIPAC, RATES, COMESA, ECA –Trade Hub and ENCAP
Potential use of disinfectants and other pesticides	<p>IR2.1 Regionally coordinated research-for-development pulling together capacity from various countries on topics of regional priority, including biotechnology and natural resource management</p> <p>Crop Crisis Control Program (C3P):</p> <ul style="list-style-type: none"> • Multiply cassava and banana planting material to help affected communities, using ASARECA’s regional cassava and banana networks, working closely with the international centers (i.e. IITA and INIBAP). • Provide support to international, regional, and national agricultural research and development organizations (i.e. with USAID Missions, OFDA, and other donors) for increased response in multiplying and distributing disease-resistant cassava varieties and by diffusing information on banana wilt control.
Subgrants	Sub-grants are likely to be used to award sub grants to National NGOs and Civil Society Organizations in both SOs

4.0 RECOMMENDED THRESHOLD DETERMINATIONS

Table 2, below shows threshold determinations for each activity group, along with recommended mitigating actions.

Activities in REGI Strategy Statement for: SO 10	Recommended Threshold Determination and 22 CFR Part 216 citation	Impact Issues & conditions, mitigation or proactive interventions
Networking, linkages, policy making, capacity building, standards, analysis, studies, reports, documentation, promotion of trade, negotiations, information dissemination, Technical assistance nutrition activities	Categorical Exclusion, per 22 CFR 216.2 (c)(2)(i), education, technical assistance or training; 216.2 (c)(2)(iii): analyses, studies, academic or research workshops and meetings; 216.2 (c)(2)(v): document and information transfers;	Will not have a direct effect on the environment. No further environmental review required.
AGCI activities under IR 4, including likely leveraging of funds and financing of the road infrastructure and facilitating one stop border crossings along transport corridors	Pursuant to 22 CFR 216.3(a)(2)(iii), a <u>negative determination with conditions</u> is recommended for this set of activities. Given that the specific activities to be undertaken under IR4 are not yet fully identified	This set of activities will be subjected to environmental screening as a condition of this determination. (See section 4.3 below.) If such screening determines that the proposed activity may have significant impacts on the environment, then the appropriate managing unit will consult with the BEO to determine whether an Environmental Assessment is needed. The AGCI IEE is hereby cross-referenced: link to the AGCI Africa Bureau IEE
Small scale construction (see table 1) involving, fencing around water points, better management of irrigation resources, better management of rangelands and forests under direct grants small-scale road, water, schools, health infrastructure construction,	Negative Determination with Conditions, 22 CFR 216.3 (a)(2)(iii).	Will have a direct effect on environment. A Negative Determination with Conditions is recommended for these activities. The Team responsible is expected to consult and apply the best practices and principles in the Africa Bureau Environmental Guidelines for Small-Scale Activities in Africa: link to Small Scale Guidelines .
Water, sanitation and solid waste disposal	Negative Determination with Conditions, 22 CFR 216.3 (a)(2)(iii).	Support to these sorts of activities are not anticipated in SO 10., but if so, they could affect the environment and human health. A Negative Determination with Conditions is recommended for these activities. The Team responsible is expected to consult and apply the best practices and principles in the Africa Bureau Environmental Guidelines for Small-Scale Activities in Africa: link to Small Scale Guidelines .
Potential use of	A deferral of a threshold	The C3P project entails crop management practice

Activities in REGI Strategy Statement for: SO 10	Recommended Threshold Determination and 22 CFR Part 216 citation	Impact Issues & conditions, mitigation or proactive interventions
disinfectants and other pesticides	<p>determination, per 22 CFR 216.3(a)(7)(iii), is recommended pending finalization of the Avian Influenza (pesticides) specific IEE. The activity (ies) involved may not proceed until the IEE is amended to remove the deferral, once the appropriate environmental review has occurred.</p>	<p>that may require use of disinfectants in managing Banana <i>Xanthomonas</i> Wilt Disease. Reg 216 recognizes disinfectants as pesticide and requires that a pesticide IEE be completed before funds could be obligated for the use of pesticides.</p> <p>Crop Crisis Control Program (C3P):</p> <ul style="list-style-type: none"> • Multiply cassava and banana planting material to help affected communities, using ASARECA's regional cassava and banana networks, working closely with the international centers (i.e. IITA and INIBAP). • Provide support to international, regional, and national agricultural research and development organizations (i.e. with USAID Missions, OFDA, and other donors) for increased response in multiplying and distributing disease-resistant cassava varieties and by diffusing information on banana wilt control. <p>HPAI response: In the event such a response is required, the Africa Bureau PEE on AI will be invoked and an IEE on disinfectants prepared.</p>
Activity Group: Sub-grants.	Negative Determination with Conditions, 22 CFR 216.3 (a)(2)(iii).	<p>A Negative Determination with Conditions is recommended for all sub-grant programs because sub-grantees may use funds for activities that have a direct effect on the environment. All sub-grant programs will include use of the USAID/ Africa Bureau Environmental Review Form in their sub-grant procedures.</p> <p>- USAID Africa Bureau's Environmental Guidelines for Small-Scale Activities in Africa: link to Small Scale Guidelines.</p>

4.1 Mitigating Measures

4.1.1 Small scale construction, fencing, water points, better management of irrigation resources, better management of rangelands and forests under direct grants for small-scale road, water, schools, health infrastructure construction, and potential funding of construction of border points under the AGCI to facilitate trade.

Construction activities in general, share a set of common features and potential adverse environmental impacts, including ; damage to ecosystems, sedimentation of streams and surface water, contamination of water supplies, social impacts , spread of diseases, creation of stagnant (standing) water, damage to aesthetics of area (see EGSSAA Chapter 3: Small-Scale Construction for details)

The conditions attached to the IR. 2.2 activities shall include the following:

- All construction activities shall be conducted following principles for environmentally sound construction, as provided in Chapter 3: Small Scale Construction of the USAID Environmental Guidelines for Small-scale Activities in Africa, which can be found at www.encapafrika.org.
- For the rehabilitation of existing facilities, and for construction of facilities in which the total surface area disturbed is less than 10,000 square feet, the condition is that these activities shall be conducted following principles for environmentally sound construction, as provided in the Small Scale Construction chapter of the USAID Environmental Guidelines for Small-scale Activities in Africa, which can be found at: www.encapafrika.org.
- No new road construction is planned. Existing tertiary and secondary roads will be repaired using established best practices as reflected in Chapter 14 on Rural Roads in USAID/AFR *Environmental Guidelines for Small Scale Activities in Africa* (EGSSAA) located at: (<http://www.encapafrika.org/SmallScaleGuidelines.htm>). Also useful guidance for road construction, maintenance and rehabilitation are guidelines given in *Low-Volume Roads Engineering: Best Management Practices Field Guide*, by Gordon Keller and James Sherar, by the US Forest Service for USAID and in collaboration with USDA. (July 2003) (see same ENCAP website, or <http://www.fs.fed.us/global>, or <http://www.zietlow.com/>). Further, *a certified roads engineer will be employed* to oversee activities and report to the MEO/USAID as necessary.
- Both water supply and sanitation activities should be conducted in a manner consistent with the good design and implementation practices described in EGSSAA Chapter 16: Water Supply and Sanitation. The SO Team and implementing partners should closely examine this chapter, as it provides a thorough discussion of program design and implementation issues that can help avoid numerous preventable problems. Another useful reference to consult for good water and sanitation design and implementation principles is the document, “Guidelines for the Development of Small Scale Rural Water Supply and Sanitation Projects in Ethiopia,” by Catholic Relief Services and USAID, July 31, 2003.
- All AGCI activities potentially involving construction, though not anticipated in the near future shall adhere to the above construction guidelines (bullet 1) and follow the conditions and provisions in the hyper linked AGCI IEE for Increased Program Impact of Economic Growth, Environment and Agriculture Activities in Africa, invoking the environmental screening and review process described here below under section 4.1.4

4.1.2 Water and Sanitation and solid waste disposal

The human health benefits of water and sanitation activities are enormous, and generally far outweigh any potential negative impacts of such activities. Still, the potential for adverse environmental impacts from water and sanitation activities exists, and it is the responsibility of program designers and implementers to avoid such impacts to the extent possible. Potential adverse impacts from water and sanitation activities can

be summarized as follows:

Potential adverse impacts from water supply activities include:

1. Depletion of fresh water resources (surface and groundwater)
2. Chemical degradation of the quality of potable water sources (surface and groundwater)
3. Creation of stagnant (standing) water
4. Degradation of terrestrial, aquatic, and coastal habitats
5. Increased human health risks (e.g. from arsenic content in groundwater)

Potential adverse impacts from sanitation activities:

1. Increased human health risks from contamination of surface water, groundwater, soil, and food by excreta, chemicals and pathogens
2. Ecological harm from degradation of stream, lake, estuarine and marine water quality and degradation of land habitats

See EGSSAA Chapter 16: Water Supply and Sanitation

Water and Sanitation conditions:

Both water supply and sanitation activities should be conducted in a manner consistent with the good design and implementation practices described in *EGSSAA Chapter 16: Water Supply and Sanitation*. The SO Team and implementing partners should closely examine this chapter, as it provides a thorough discussion of program design and implementation issues that can help avoid numerous preventable problems. Another useful reference to consult for good water and sanitation design and implementation principles is the document, "Guidelines for the Development of Small Scale Rural Water Supply and Sanitation Projects in Ethiopia," by Catholic Relief Services and USAID, July 31, 2003.

Water quality testing is essential for determining that the water from a constructed water source is safe to drink and to determine a baseline so that any future degradation can be detected. Among the water quality tests which must be performed are tests for the presence of arsenic. Any USAID-supported activity engaged in the provision of potable water must adhere to Guidance Cable State 98 108651, which requires arsenic testing. That 1998 cable also anticipates "practical guidelines on sampling and testing for arsenic" that were then under development. The EGAT Bureau completed these guidelines, and the Africa Bureau has packaged them in a document titled, "Guidelines for Determining the Arsenic Content of Ground Water in USAID-Sponsored Well Programs in Sub-Saharan Africa." The SO team must assure that the standards and testing procedures described in this guideline document are followed for potable water

4.1.3 Potential use of pesticides including the use of disinfectants in managing Banana *Xanthomonas Wilt* Disease in the C3P project, and other research activities under IR 2.1.

These activities require a pesticide IEE to be completed before they can be implemented and fund obligated. A Pesticide IEE will be completed for the C3P project to ensure that any use of pesticide as defined by Reg. 216, conforms to the requirements.

4.1.4 Environmental Screening and Review for sub grant activities

a) Environmental Screening Process

Any grants or other monetary transfers of USAID funds (e.g., subgrants) to support this program's activities must incorporate provisions that the activities to be undertaken will comply with the environmental determinations and recommendations of this IEE. This includes assurance that the activities conducted with USAID funds fit within those described in the approved IEE or IEE amendment and that any mitigating measures required for those activities be followed.

- Implementing partners will screen proposed activities according to the Africa Bureau

Environmental Report Form Review Process, which is described in the Bureau's Environmental Procedures Training Manual, "Annex G: Umbrella IEEs and Subgrant Environmental Screening," as well as in the Africa Bureau Environmental Guidelines, Part III. Both can be found at <http://www.encapafrica.org/Resources.htm>). As described there, the screening categories include the following: Category 1 (very low risk). Activities that would normally qualify for a categorical exclusion under Reg. 216; Category 2 (medium risk). Activities that would normally qualify for a negative determination under Reg. 216; Category 3 (high risk). Activities that have a clear potential for undesirable environmental impacts and typically under Reg. 216 require an Environmental Assessment; Category 4 (very high risk). Activities that either USAID cannot fund or for which specific findings must be made in an Environmental Assessment prior to funding.

The Strategic Objective Team (SOT) shall be responsible, first, for clearing the implementing partner's category determination. Further, the SOT leader must approve all Category 2 Environmental Reviews individually or in groups. All Category 3 Environmental Reviews must be approved by the BEO. Any activities that fall within Category 4 will be immediately referred to the REO and BEO

- The implementing partners will take into consideration potential environmental impacts and their mitigation and monitoring measures, including avoidance during the design process to achieve an environmentally-sound project design and for program sustainability.
- Implementing partners will take into account the Africa Bureau Environmental Guidelines for Small-Scale Activities in Africa and other appropriate Africa Bureau and generic environmental assessment sources, to assist in determining what potential projects impacts should be of concern for different types of development activities in various settings, and which impacts to mitigate and monitor for a particular development activity.
 - a) Implementing partners must identify in the environmental review reports all proposed environmental mitigation and monitoring requirements. Once the environmental review reports are approved, mitigation measures and monitoring procedures stated in the environmental review report should be considered as a requirement. Additionally, project implementers should ensure that the agreed-upon mitigation and monitoring measures are in place.

Given that the nature of the activities is not well known at this point in time, and the details about the proposed activities are not yet fully developed, e.g. siting, the grantee or sub-grantee will be required to subject these subgrant activities to an environmental screening process intended to identify potential environmental problems, appropriate mitigation measures, and to trigger supplemental environmental review if appropriate. The SO team has the responsibility to ensure that the environmental screening and review process is applied.

b) Promotion of Environmental Review and Capacity Building Procedures

The procedures described above and incorporated within the Screening Form are intended to ensure environmental accountability and soundness, on the assumption that the Mission has the following additional elements in effect to build environmental capacity within implementing partners.

- A monitoring and evaluation process to follow-up on Environmental Review Reports will be put in place and used by the sub-grantees and implementing partners, in collaboration with USAID project management.

4.2 Environmental Responsibilities

As required by ADS 204.3.4, the SO team (REGI) and activity implementing partners will actively monitor and evaluate whether the environmental features designed for the activity resulting from the 22

CFR 216 process are being implemented effectively and whether there are new or unforeseen consequences arising during implementation that were not identified and reviewed in accordance with 22 CFR 216. If additional activities not described in this document are added to this program, an amended environmental examination must be prepared and approved.

